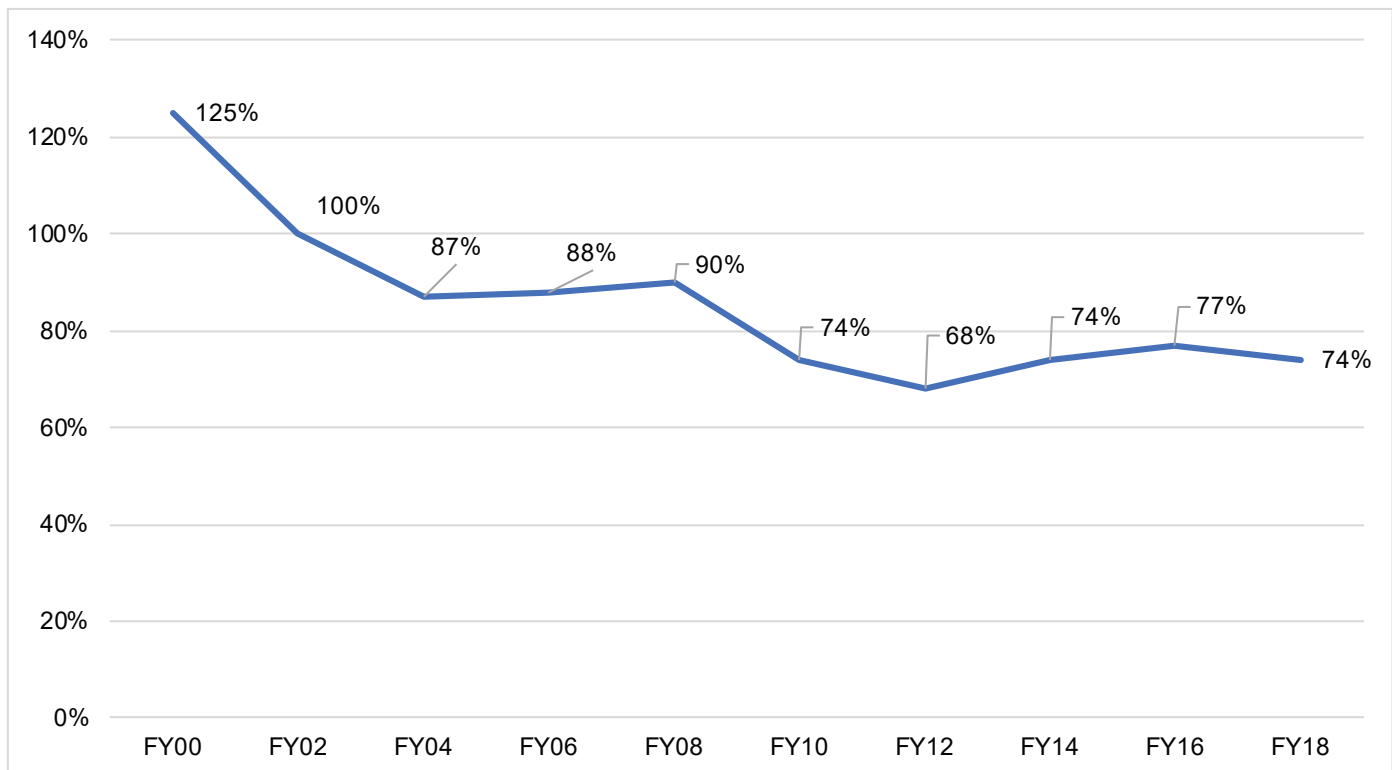


The **funded ratio** of Montana's Public Employees' Retirement System (PERS), the percentage of liabilities covered by assets, has declined over the past 20 years.



The funded ratio is a measure, at a point in time, of a system's assets divided by its liabilities. In addition to employer and employee contributions, assets grow through positive returns on investments. During years when investment returns are negative assets can decrease.

The second half of the 1990's experienced extremely strong growth in financial markets. Following this period, the system's funded ratio peaked at 125%, and the 2001 Montana Legislature increased the guaranteed annual benefit adjustment (GABA) from 1.5% to 3.0%. The collapse of the dot-com bubble and the associated recession in the early 2000's decreased the PERS funded ratio from 125% to 87%. The funded ratio then increased back to 90% until the Great Recession, when pension systems nationwide lost as much as 20% of their assets.

Significant pension legislation in Montana during the 2013 Legislative Session increased funding to the system and attempted to reduce the GABA. A court order halted the decrease to the GABA, however, the increased funding has helped improve both the system's funded ratio and amortization period.

For more information, see [Funding Policy and Montana's Public Pensions](#).